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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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APR 20 1994

In the Matter of

Implementation of Sections of the Cable Television Consumer Protection and Completion Act of 1992: Rate Regulation FCC - MAIL ROOM

MM Docket No. 92-266

To: The Commission

COMMENTS IN RESPONSE TO FIFTH NOTICE OF PROPOSED RULENAKING

Leibowitz & Associates, P.A. ("Leibowitz") asks that the attached Petition for Rule Making Or, In The Alternative For Declaratory Ruling be considered as comments in the above-referenced proceeding. Leibowitz submits that the basis of cable rate regulation is providing a fair rate of return on investment to an industry that operates, for most part, as a monopoly within its service area. Unless cable systems can show that it costs more to serve commercial cable subscribers than it costs to serve residential subscribers, cable systems should not be allowed to charge more to their commercial cable subscribers. That is the whole point of defining a fair price in terms of a rate of return.

April 19, 1994

Leibowitz & Associates One S.E. Third Avenue Suite 1450 Miami, Fl. 33131 (305) 530-1322 Respectfully submitted,

Joseph A. Belisle

Counsel for

Leibowitz & Associates, P.A.

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APR 20 100

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

FCC - MAIL ROOM	FCC	-	MAIL	RÒÓM
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In Re:)		
Regulation of Cable Television Rates for Commercial Subscribers)	RM	

To: The Commission

PETITION FOR RULE MAKING OR. IN THE ALTERNATIVE, FOR DECLARATORY RULING

The Law Firm of Leibowitz & Associates P.A. ("Leibowitz") requests that Rule 76.5(ee) be amended to read as follows:

Subscriber. A person who receives broadcast programming distributed by a cable television system and does not further distribute it.

The purpose of this request is to require that cable television rates for commercial subscribers, <u>e.g.</u> corporations, partnerships, limited partnerships etc., be subject to rate regulation under Rule 76.922.

In support of this request, Leibowitz submits that the intent of Section 623 of the Communications Act of 1934 as amended, 47

¹Rule 76.922 (a) regulates the maximum monthly charge per subscriber for each tier of cable television programming. Rates charged to commercial subscribers should be considered in these rate calculations. The current definition of subscriber as a "member of the general public" suggests that commercial entities may not be included in the definition.

U.S.C. § 543, is that cable systems employ uniform rate structures that provide all persons reasonable rates on a non-discriminatory basis.

Presently commercial subscribers to cable television service are charged rates far in excess of those imposed upon residential subscribers for the same service. These rate differences have no apparent relationship to the cost of providing service. Leibowitz submits that it is unreasonable for a subscriber to pay more to view a cable television program in an office than he or she would pay to view the same program in a private residence.

The omission of commercial subscribers from rate regulation calculations undercounts the number of subscribers on a system and distorts computation of average rates per channel per subscriber. Any attempt to regulate cable rates without accounting for commercial subscriber rates falls short of Congress' objective of establishing reasonable cable television rates for all. Indeed it frustrates Congress' direction to the FCC in 47 U.S.C. § 543 that the Commission compile data on average rates for basic cable service.

As an alternative to amending Rule 76.5(ee), Leibowitz asks that the the Commission interpret the term "member of the general

²See Declaration of Elizabeth Barbadaes and Letter of Dade County Cable Television Coordinator appended hereto.

public" in the current definition of "subscriber" to include any "person," as that term is defined in Rule 76.5(aa). A declaratory ruling to this effect would obviate the need to amend Rule 76.5(ee) and would place commercial subscriber rates squarely within the non-discriminatory rate regulation framework intended by Congress.

In view of the foregoing, Leibowitz requests initiation of an appropriate rule making proceeding or issuance of the requested declaratory ruling.

Respectfully submitted,

Matthew L. Leibowitz Joseph A. Belisle

Ila L. Feld Counsel for

Leibowitz & Associates P.A.

February 8, 1994

Leibowitz & Associates One S.E. Third Avenue Suite 1450 Miami, Florida 33131 (305) 530-1322

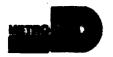
DECLARATION

Elizabeth V. Barbadaes declares under penalty of perjury that:

I am an employee of Leibowitz & Associates P.A. a Miami, Florida, Law Firm. On February 7, 1994, I called the local cable television system to obtain cable service for the law firm. I was told that the monthly rate for basic 45 channel service for the law firm would be \$54.34 for one outlet. The residential rate for this same 45 channel service is \$26.63 per month.

Digetett V. Borbadale

Elizabeth V. Barbadaes



C SUMER SERVICES DEPARTMENT
OFFICE OF ... ALE TELEVISION COORDINATION
ROOM 901
140 WEST FLAGLER STREET
MIAMI, FLORIDA 33130-1564
(305) 375-3677
FAX (305) 375-4120
TDD (305) 375-4177

February 8, 1994

Matthew L. Leibowitz, Esq. Leibowitz & Associates, P.A. SunBank International Center One Southeast Third Avenue Miami, Florida 33131-1715

APRIZIO 1994
FCC - MAIL ROOM

Dear Mr. Leibowitz:

This office has responsibility for the day-to-day oversight and monitoring of eight cable television licenses granted by Metropolitan Dade County. We have reviewed our files to determine whether there is a rate differentiation between services provided to businesses and services provided to residential accounts.

Our files reflect that, in some cases, commercial accounts are billed at a higher rate than residential accounts and are apparently not considered as part of regulated services. For example, Attachment #1, a current local rate card, separately lists higher monthly charges billed to businesses. Prior to rate regulation it is our understanding that cable systems charged different fees to businesses. Attachment #2 is one notice of commercial fees. Although commercial rates have not been typically listed on September 1993 rate cards, it is our understanding that rate differentials in monthly service remain in force.

Attachment #1 also states that businesses are billed using a different standard, the Hourly Service Rate, for installations and other types of services for which residential accounts have separate fees. This statement is similar to statements reflected on other rate cards issued as of September 1, 1993 (Attachments 3, 4, and 5).

Sincerely

Cathy Grimes Peel

Cable Television Coordinator

Attachments

"Your Satellite Connection For A Changing Lifestyle"

Dear S ner

To collipsy with Federal Regulations under the 1992 Cable Act, we will be making some changes to our channel line-up and charges for services. Because of the Federal Government's rate formula, some service levels may increase in price while others decrease. These changes take effect on September 1, 1993 and will be reflected in your October bill.

PRODUCTS & SERVICES PRICE LIST

(all prices exclude applicable franchise less and any other Governmental charges)

BASIC SERVICE - \$25.48 per month

PREMIUM & PAY PER VIEW SERVICES

Premium services may be purchased individually or for greater savings, buy more than one and receive special discounts.

Individual Premium Service	(per month)	Superpay Package (per me	onth)					
HBO	\$12.95	Oliver to the second of the se	***					
Showtime	\$10.9 5	Showtime/Movie Channel/Encore	\$13.95					
The Disney Channel	\$ 9.95	Additional Discounts For Premiu	m Service					
Cinemax	\$12.95	(per month)						
The Movie Channel	\$10.95	HBO/Disney/Cinemax/Playboy						
Playboy	\$ 9.95	•	•					
Encore	\$ 8.95	Any Two Premium Services	\$20.85					
SUR (Spanish)	\$ 6.95	Any Three Premium Services	\$30.85					
Sports Channel	\$ 2.95	Any Four Premium Services	\$40.85,					

PAY-PER-VIEW SERVICES

With the use of an addressable converter (for which there is a separate monthly charge) you may call the Pay-Per-View phone numbers listed below and order a movie or event. The schedule of Pay-Per-View movies and events, ordering instructions, and their prices are shown on the Preview Channel (Channel 55). Your account-will be charged for each movie or event you order.

Pay-Per-View

Request 1	\$ 3.95	330-1070	Action Pay Per View	\$ 3.95	To Be Announced
Request 2		To Be Announced	Playboy at Night		330-1038
Request 3	\$ 3.95	To Be Announced	Special Events	Varied	330-1414

PREMIUM CABLE GUIDE - Plan your premium cable viewing with this informative guide at \$1.00 per month.

EQUIPMENT

Addressable Converter \$1.95 per month	Remote Control \$.52 per month	Additional Outlet N/C per month								
INSTALLATION & REPAIR										

Unwired Residence Installation (within 125' of existing cable plant)	\$	52,76*	Connect FM at Time of Initial Installation	\$	8.79° 13.19°
Wired Residence Installation	Ş	26.38*	Connect FM Requiring Separate Installation Purchase A/B Switch	5	5.00
Restart/Reconnect/Transfer Residence Installation	\$	26.38*	Install A/B Switch at Time of Initial Installation	Š	8.79*
Restart/Reconnect For Non-Pay	٠\$	26.38*	Install A/B Switch Requiring	S	13.19*
Additional Connection at Time of	\$	13.19*	Separate Installation	•	
initial installation			Delivery/Pickup of Remote/Converter	\$	13.19*
Additional Connection Required	\$	26.38*	After Initial Installation		
Separate Installation			Administrative Fee for Delinquent Payment	\$	5.00
Relocate Outlet	\$	26.38*	Non-Sufficient Funds Charge	\$	20.00
Computer Upgrade on Optional Services	\$	2.00*	Unreturned Addressable Converter Charge	\$	125.00
Computer Downgrade on Optional Services	\$	2.00*	Unreturned Remote Charge	\$	10.00
Connect VCR at Time of Initial Installation	\$	8.79*	Installation Promotion Only	\$	19.95
Connect VCR Requiring Separate Installation	\$	13.191	Hourly Service Charge (Customer Related) 1 Hr. Minimum	\$	52.76*
,					

Commercial and non-standard installations and other services not listed above will be charged the Hourly Service Charge. Please call us for more information. Prices do not include franchise fees or any other Governmental charges. All prices are subject to charge.

/ Commercial Basic Cable - (Lounges/Bars)	\$ 98	9.95	Commercial Basic Cable - (Others)	5	49.95
Additional Outlet - (Lounges/Bars)	\$ 50	00.0	Additional Outlet - (Others)	\$	25.00
Converter	\$ 1	1.95	Converter	\$	1.95
Remote	\$.52	Remote	\$.52

OPTIONAL MONTHLY SERVICE CONTRACT

SPIONAL		UNITELL	SERVICE CON (MAC)	
Optional Service Contract	_		\$ 2.00	per month
Eliminates the following) cl	narges <u>re</u>	gardless of number of occurrences:	
Hourly Service Charge (Customer Related) 1 Hr. Minimum	\$	52.76°	Connect VCR Requiring Separate Installation	\$ 13.19
Additional Connection Required Separate Installation	\$	25.38°	Connect FM Requiring Separate Installation	\$ 13.19*
Relocate Outlet	\$	26.38*	Installation A/B Switch Requiring Separate Installation	\$ 13,19*
Computer Upgrade on Optional Services	\$	2.00*	Delivery of Remote/Converter After	\$ 13,19*
Computer Downgrade on Optional Services	\$	2.00°	Initial Installation	

^{*}These prices are formulated by using the Hourly Service Charge (HSC) as prescribed by the Federal Communication Commission formulas multiplied by the average time for each installation activity based upon historical data.

(continued on reverse side)

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P.O. Box 69-4690 Miami, Florida 33169-1605 (305) 653-5541

CERTIFIED MAIL P 721 768 877

February 17, 1993

RECEIVE

Cathy Peel Metropolitan Dade County Office of Cable Television Coordination 140 West Flagler Street #901 Miamı, FL 33130

FCC - MAIL ROOM

Dear Cathy,

As we discussed on the telephone today, I am sending you this letter to verify that our current Commercial Business rates are on file with your office. These rates apply for establishments such as restaurants, bars, waiting areas, hotel lobbies, or any other area in which the television outlet is placed for "group" or "public" viewing. The following monthly service rates apply:

Commercial Cable Service (primary outlet)

\$50.00 per month .

Commercial Cable Service (each additional outlet)

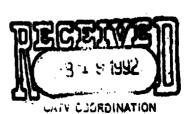
\$15.00 per month

All installation charges quoted to Commercial Business subscribers are on a "time and material" basis. These rates our current as of this date and are not new or revised. If you have any additional questions, please give me a call.

Sincerely,

Jay M. Abbazia Marketing Manager

CC: Steve Friedman Leo Delgado Paula Davidson



Consumer Services Dept.

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WITY (2) (PBS)

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METRO-DADE TV W2CA (21) (MD) W2CA (21) (MD) W2CA (21) (MD) WCDX (6) (CBS)
WSVN (7) (FOX))
WN (17) (RVD)
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HOME SHOPPING (69 - WYHS)
UMSHINE NETWORK
ESPN - V SA NEJ WORK HE DISCOVERY CHANNELY NN HEADLINE NEWS V REQUEST 1
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> Dear Casiomer, Wate taking television into tomorrow TCI of South Dade

To comply with federal regulations under the 1992 Cable Act, we will be realized some changes to our channel line-up and formula, some service levels may increase in price while others decrease. These changes take effect on September 1, 1993. charges for services. Because of the federal governments rate

Product & Section Price .]] [

(all priors exclude applicable tranchise fees and taxos)

The minimum level of cable service you may paschase is BA-SIC SERVICE. You may purchase BASIC SERVICE alone OF with any other OPTIONAL SERVICE(S) issed below.



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\$ 1.35	S13.75	\$13.25	\$12.25	\$3.35	23.65	Service	ny be pu	AY-PE	<u> </u>	jù an	Srent	ONAL
Premium Service for only	Add Encor to any other	Any Five Paraista Services	Apy For Premium Services	Any Three Premium Services	í	e Package Premium Service	Premium services may be purchased individually or, for greater savings, buy more than one and receive the "package price."	PREMICH AND PAY-PER-VIEW SERVICES	27 per madik	Options (alteresis	er menth.	with any other OPTIONAL SERVICE(S) listed below
\$ 1.00	359.53	2 2 2	\$29.95	\$24.95	2095	7. C	ic."					24.5

PAY-PER-VIEW SERVICES

separate monthly charge) you may call the designated 1-800-REQUEST number and order a movie or event. The schedule of Pay-Per-View movies and events, ordering instructions, and their prices are shown on the Sneak Preview (Channel 40). With the use of an addressable convener (for which there is a Your account will be charged for each movie or event you order.

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comative guide. \$1.00 per month. CABLE GUIDE - Plan your cable viewing with this in

DMX (Digital Minds Example) - 30 channels of digital qualicommercial free music for your streen, DMX service out is \$9.95 monthly.

D.I. Remote Control. - works with DMX Steron Service, \$3.00 monthly.

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These prices are formulated by using the Henriy Service Charge (HSC) as prescribed by the Federal Communication Commission for mulas multiplied by the average time for each invalisation activity based

Neresita essa información en Español? Lame a su compatia de cable al 595-6766

COS BILLS



Dear Customer,

To comply with federal regulations under the 1992 Cable Act, we will be making some changes to our channel line-up and charges for services. Because of the federal governments rate formula, some service levels may increase in price while others decrease. These charges take effect on September 1, 1993.



(all prices exclude applicable fraudise from and trans.)
The minimum level of cable service you may purchase is BA-SIC SERVICE. You may purchase BASIC SERVICE alone or with any other OFTHONAL SERVICE(S) listed below.
BASIC SERVICE. \$9.92 per month. Includes: WPBT, WLTV, WTVI, WDZI, WCIX, WSVN, WILRN, Miami Net 9, WPLG, Community Access, WHIFT, Home Shopping, WSCV, WBPS, Homelown TV and Government Access.



EXPANDED BASIC - \$13.89 per mouth

PREMIUM AND PAY-PER-YIKW SERVICESPremium services may be purchased individually or, for greater savings, buy more than one and receive the "package price."

ALIVERS MAIN COLVE	Playboy	Escare .	The Movie Channel	Contract	The Disney Charges	Showing		(per month)	Individual Premiso
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Production Salvator	Planboy is not included in Poch	Promises Service for early 5			E Services	\$13.25 Any Three Premium Services \$	Sarvice	(par Manufi)	Package Premium Service
	**	ğ		7. 20.	29.95	34.95	30.95		Ř

TAY-TIGE-YIER SIGEYICES
With the use of an addressable converter (for which there is a separate monthly charge) you may call the designated 1-800 separates and order a movic or event. The schedule of Pay-Per-View movies and events, ordering instructions, and their prices are shown on the Sueak Preview Channel (Channel 23). Your account will be charged for each movie or event you order.

CABLE GUIDE - Plan your cable viewing with this informative guide. \$1.00 per month.

DMX (Digital Music Express) - 30 changes of digital quality, commercial free music for your steres. DMX service cost is \$9.48 monthly.

D. Remaile Control - works with DMX Stereo Service, \$2.85



Standard Converter Remote Control Addressable Converter

\$0.77 per month \$1.29 per month \$0.10 per month

Unreturned Remote Control Charge	Unreturned S
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Commercial and son-standard installations and other services not listed above will be charged at the Hourly Service Charge. Please call us for more information. Prices do not include franchise fees or taxes. All prices are subject to charge.

* These prices are formulated by using the Hourly Service Charge as prescribed by the Federal Communication Commission formulas mul-tiplied by the average time for each installation activity based upon estorical data.

Necesita esta información en Español?
 Llame a su compañía de cable al 326-1574.

TCl of South Florida
White taking television into tomorrow,
18601 NW 2nd Avenue
Miami, Florida 33169



head thron Latin R &

Un-wired Standard Home Installation	
(within 125' of existing cable plant)	44.95*
Restart / Reconnect Standard Home Installation \$	29.95*
Additional Connection at Time of Initial Installation \$	22.45*
Additional Connection	
Requiring Separate Installation/Visit	22,45*
Move/Relocate Existing Outlet\$	22,45*
Upgrade or Downgrade of Optional Services	
(Addressable)	2.00*
Upgrade or Downgrade of Optional Services	
(Non-Addressable)\$	15.00*
Connect VCR at Time of Installation\$	7.50*
Connect VCR Requiring Separate Installation/Visit.\$	
Install DMX at Time of Installation\$	7.50*
Install DMX Requiring Separate Installation/Visit\$	22.45*
Purchase A/B Switch	5.00
Install A/B Switch at Time of Installation\$	7,50*
Install A/B Switch	
Requiring Separate Installation/Visit\$	15.00*
Administrative Fee for Delinquent Payment\$	5.00
Non-Sufficient Funds Charge	
(\$20.00 or 5% whichever is greater)\$	20.00
(\$20,00 of 5% whichever is greater)	75 00
Unreturned Standard Converter Charge	120.00
Unreturned Addressable Converter Charge	16 ሰለ
Unreturned Hand-Held Remote Control Unit\$	
Minimum Trip Charge\$	12.00-

* Prices are formulated by using the Hourly Service Charge (HSC-\$29.95 per hour), as prescribed by the Federal Communications Commission multiplied by the average time for each installation activity, based upon historical data. Charges/prices may be slightly higher based upon the actual time taken to complete each installation/service activity. A minimum "trip charge" may apply.

Commercial and non-standard (custom) installations and other services not listed above will be charged at the Hourly Service Charge. Please call our Customer Service Center at 652-9900 for more information. All prices listed above are subject to franchise fees and taxes. All prices are subject to change.

DITTRSE



CERTIFICATE OF SERVICE

I, Tania M. Rehman, hereby certify that the attached Petition For Rule Making Or, In The Alternative, For Declaratory Ruling submitted on behalf of Leibowitz & Associates was sent this 8th day of February, 1994 to the following persons by U.S. mail, first class postage prepaid:

> Chairman Reed Hundt Federal Communications Commission 1919 M Street, Nw Washington, D.C. 20054

> Commissioner James H. Quello Federal Communications Commission 1919 M Street, NW Washington, D.C. 20554

> Commissioner Andrew C. Barret Federal Communications Commission 1919 M Street, NW Washington, D.C. 20554

Alexandra Wilson, Acting Chief Carle Television Bureau 2033 M Street, NW Room 918 Washington, D.C. 20554

William H. Johnson, Deputy Chief Mass Media Bureau 1919 M Street, N.W. Room 314 Washington, D.C. 20554

Janie M. Reknan

Tania M. Rehman

CERTIFICATE OF SERVICE

I, Tania M. Rehman, hereby certify that the attached Comments In Response To Fifth Notice Of Proposed Rulemaking submitted on behalf of Leibowitz & Associates was sent this 19th day of April, 1994 to the following persons by U.S. mail, first class postage prepaid:

> Lawrence Walke, Esquire Cable Services Bureau 2033 M Street Room 918 Washington, D.C. 20554

> > via M. Redman